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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

In the Matter of

Southwestern Bell Telephone Company, Pacific Bell,
and Nevada Bell Petition for Relief
from Regulation Pursuant to Section 706 of the
Telecommunications Act of 1996 and
47 U.S.C. § 160 for ADSL Infrastructure and Service

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CC Docket No. 98-91

COMMENTS OF AMERITECH

Ameritech supports SBC's Petition¹ for forbearance relief under Section 706 of the Telecommunications Act of 1996² with respect to Asymmetrical Digital Subscriber Line ("ADSL") service. As fully explained in the Petition,³ each of SBC's forbearance requests satisfies the standards of Sections 706 and 10⁴. Moreover, since the requested relief has been clearly shown to be in the public interest,⁵ the Petition should be granted.

It should be noted by the Commission that SBC's request for relief is based upon its expressed business preference for an ADSL offering based in its affiliated local exchange carrier ("LEC") operations.⁶ Since Section 251's unbundling and wholesale discount requirements⁷ by

¹ In the Matter of Southwestern Bell Telephone Company, Pacific Bell, and Nevada Bell Petition for Relief from Regulation Pursuant to Section 706 of the Telecommunications Act of 1996 and 47 U.S.C. §106 for ADSL Infrastructure and Service, filed June 9, 1998 (hereinafter "Petition").

² Telecommunications Act of 1996, P.L. 104-104, Title VII, Section 706(a) (hereinafter "Section 706").

³ Petition, at 28-34.

⁴ 47 U.S.C. 160(a).

⁵ Petition, at 24-28.

their terms apply to Incumbent LECs (“ILECs”), relief is necessary in light of SBC’s plans to offer ADSL services through SBC’s LEC operations. In contrast, Ameritech’s Petition for relief under Section 706 asked the Commission to clarify that an ILEC affiliate which satisfies a set of modified separation requirements is not an incumbent LEC for purposes of Sections 251 and 252.⁸ Thus, as to Ameritech’s business plans for offering ADSL and other advanced telecommunications capabilities, no such forbearance is required. Nonetheless, Ameritech fully supports the forbearance relief requested by SBC, as the Petition has demonstrated is fully justified under all applicable regulatory and statutory standards.

In addition to the above-noted difference between the approaches adopted by Ameritech and SBC in their efforts to make advanced telecommunications capability widely available to American consumers, there are also significant similarities in the facts which justify the relief sought in both Petitions. First, both the SBC LECs and the Ameritech operating companies provide ADSL-capable loops and collocation on a nondiscriminatory basis to competitive LECs (“CLECs”) desiring to offer advanced telecommunications capability.⁹ As explained in SBC’s Petition, this arrangement will satisfy any concerns that CLECs wishing to provide such services will have equivalent access to the ILEC facilities which they may desire to use instead of doing so through the use of their own facilities.¹⁰ Second, both SBC and Ameritech propose to apply stringent accounting safeguards which will address any concern regarding possible cross-subsidy

⁵ See, e.g., Petition, at 45.

⁷ 47 U.S.C. §§ 251(c)(3), (4); § 252(j).

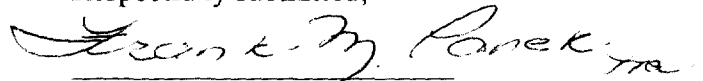
⁸ Petition of Ameritech Corporation to Remove Barriers to Investment in Advanced Telecommunications Capability, CC Docket No. 98-32, filed March 5, 1998 (hereinafter “Ameritech Petition”), at 19.

⁹ Petition, at 17-21; Ameritech Petition, at 20-21; see also Ameritech’s Reply Comments on Ameritech Petition (filed May 7, 1998), at 22-23.

of advanced telecommunications capability by fully-regulated local exchange services.¹¹ As SBC aptly notes, “(t)here is no reason to believe that Part 64 and the SBC LECs’ (Cost Allocation Manuals) cannot eliminate the cross-subsidy concern especially in view of recent adoptions of its use by the Commission.”¹² Hence, both Ameritech’s Petition and SBC’s Petition deal effectively with these legitimate concerns, albeit by different means.

Since SBC has amply demonstrated that its request for forbearance satisfies all applicable standards and that the relief requested is in the public interest, its Petition should be timely granted. This action will be in keeping with Congress’ mandate, as expressed in Section 706, that the Commission act to encourage the deployment of advanced telecommunications capability on a “reasonable and timely basis.”

Respectfully submitted,



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¹⁰ Petition, at 17.

¹¹ SBC proposes to employ the full range of accounting safeguards provided by Part 64 of the Commission’s rules (47 CFR § 64.901 *et seq.*) regarding regulated vs. nonregulated services. Petition, at 35-6. Ameritech’s plans include a subsidiary which would strictly follow a set of modified separation requirements, including maintaining completely separate books of account. Ameritech Petition, at 19.

¹² SBC Petition, at 36 (citing 11 FCC Rcd 17539 [1996]).